



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2684 (1951)

October 28, 1992

SUBJECT: Debt and Loan Restructuring System (DALR\$) and  
Appealed Farmer Programs Loan Servicing Decisions

TO: State Directors, District Directors and County  
Supervisors

ATTN: Farmer Programs Chiefs

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide guidance to the County Offices on the proper method to implement an appeal officer's decision when a revised DALR\$ is needed as a result of FmHA's decision being modified or overturned. The intended outcome is to insure consistency in the implementation of hearing officers' decisions and use of the proper interest rate, discount rate, and net recovery constants tables in the revised DALR\$ calculations.

**COMPARISON WITH PREVIOUS AN:**

This AN supplements FmHA AN No. 2526(1900-B).

**IMPLEMENTATION RESPONSIBILITIES:**

Numerous questions have been received concerning the rates and constants to be used when it becomes necessary to complete new DALR\$ calculations as a result of an appeal hearing. The discount rate and net recovery constants used to implement the appeal officer's decision will be those on which the original adverse decision was based, unless stated otherwise in the final appeal decision letter. The interest rate used will be the lesser of the original note rate or the current rate on the proposed date of loan closing.

In both DALR\$ Versions 4.2 and 5.0, the discount rate used in the calculations will always be the discount rate in effect on the date the borrower submitted his/her application for loan servicing. DALR\$ will select the lower of the original interest rate input in the existing loan information or the current rate set out in the interest rate table for the date of the proposed restructuring. The net recovery value constants used by the DALR\$ system are those in effect for

EXPIRATION DATE: August 31, 1993

FILING INSTRUCTION:  
Preceding FmHA  
Instruction 1951-S



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Secretary of Agriculture, Washington, D.C. 20250

the proposed closing date. Therefore, if the net recovery value constants have been updated since the time of the initial decision, it will be necessary to use the "editrate" function to temporarily revise the date of the net recovery constants table used in the original calculations.


To use editrate, the operator must be at the unix prompt. For DALR\$ version 4.2, type /usr/workaid/sub/dalrs/editrate at the unix prompt. For DALR\$ version 5.0 type /usr/workaid/sub/dalrs5.0/editrate at the unix prompt. After the appropriate pathname has been entered, the editrate menu will appear on the screen. All editing will be completed through the use of the menu as follows:

1. Select option D, "Work with Net Recovery Value Constants."
2. Select option E, "Edit Net Recovery Value Constants."
3. Enter the reference number corresponding to the date of the constants table used in the original DALR\$ calculations.
4. Clear the date fields by hitting the Ctrl key and the letter "o" key simultaneously.
5. Enter the date of the proposed restructuring for the revised DALR\$ in the date fields.
6. Enter your initials in the field "VERIFIED BY."
7. Enter a "y" when the question "Is this record complete (y/n)?" appears on the screen.
8. Select option E, "EXIT."

After completing the revised DALR\$ calculations, the date of the net recovery constants table must be corrected to the original date of the table as reflected in the 1951-S state supplement. This will be accomplished using the editrate function as described above. Failure to correct the date of the table will result in these constants being used in the DALR\$ calculations of other borrowers.

NOTE: The editrate function cannot be used to edit the date of a table unless the DALR\$ 5.0 Extension II diskette has been installed. Editing of the date of a table prior to the installation of this diskette will not be recognized by the system when calculations are completed. If you have any questions, please contact Bill Cobb, Farmer Programs Loan Servicing and Property Management Division, at FTS (202) 690-4011.

ANY REVISIONS OR MODIFICATIONS TO THIS AN THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR OF FARMER PROGRAMS BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH THE STATE LAW.



LA VERNE AUSMAN  
Administrator

Sent by Time Delay Option to States at 11:30am on 11/12/92 to Districts at 1:30 pm on 11/12/92 and to Counties at 3:30 pm on by GSS.